



National Active and Retired Federal Employees Association

606 N. Washington Street, Alexandria VA 22314 • (703) 838-7760 • Fax (703) 838-7785 • www.narfe.org

PRESERVE EMPLOYER-SPONSORED HEALTH INSURANCE

Whereas, while 40 percent of large employers offered early retirees health insurance in 1993, only 23 percent did by 2001,¹

Whereas, many employers still providing coverage are shifting more of the cost to retirees,

Whereas, the loss of employer sponsored health insurance for retirees not yet eligible for Medicare is particularly burdensome since non-group health insurance is frequently unaffordable and sometimes restricts coverage of pre-existing conditions,

Whereas, absent employer-sponsored health insurance, Medicare provides significantly less coverage than most employee health benefits,

Whereas, the nonpartisan Congressional Budget Office has estimated that one-third of retired workers with employer-sponsored benefits could lose their current drug coverage in response to the new Medicare drug benefit, and

Whereas, proposals to tax the value of an employee or retiree's health insurance benefit as if it were income would further erode employer sponsored health insurance and increased the number of uninsured or underinsured Americans.

Therefore, be it resolved that the 2005 White House Conference on Aging supports proposals, including subsidies and more favorable tax treatment, to encourage employers to provide comprehensive health insurance to all retirees.

Therefore, be it further resolved that the 2005 White House Conference on Aging opposes plans to make employer-sponsored health insurance taxable as income.

¹ Source: William M. Mercer employee benefits firm.



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EASE THE HIGH COST OF HEALTH CARE BY EXTENDING “PREMIUM CONVERSION” TAX RELIEF TO RETIREES

Whereas, employer sponsored health insurance premiums have increased by more than 10 percent a year since 1998,

Whereas, section 125 of the Internal Revenue Code presently allows employers to permit their employees – but not retirees -- to pay for health insurance with pre-tax dollars, wages excluded from both income and Social Security payroll taxes (also known as “premium conversion”),

Whereas, workers lose their premium conversion benefit just when they need it the most – at retirement when they begin living on fixed incomes, and

Whereas, many retirees with limited incomes can no afford to pay insurance premiums, particularly as employers shift more costs to retirees.

Therefore, Be it Resolved that the 2005 White House Conference on Aging supports legislation that would allow all retirees to participate in employer-sponsored Section 125 premium conversion plans.

Charles L. Fallis
NATIONAL PRESIDENT

Dan C. Galvan
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FAIRNESS FOR GOVERNMENT RETIREES IN THE CONTEXT OF SOCIAL SECURITY REFORM

Whereas, the Government Pension Offset (GPO) and Windfall Elimination Provision (WEP), as amendment to the Social Security Act, made respectively in 1977 and 1983, unfairly and arbitrarily reduce or eliminate the Social Security benefits of federal, state and local government workers,

Whereas, the GPO affects 391,000 beneficiaries and 15,000 are added to that amount each year,

Whereas, the GPO most drastically affects low-income widows,

Whereas, the WEP reduces the Social Security benefits of 635,000 retired or disabled government workers and 60,000 more are added every year, and

Whereas, proposals to mitigate both of these provisions would provide relief to thousands of government retirees without providing them an unfair advantage over their private sector colleagues.

Therefore, Be it Resolved that the 2005 White House Conference on Aging supports legislation to reduce the Government Pension Offset and Windfall Elimination Provisions for federal, state and local government employees.

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